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GAIN Report

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Mexico

Grain and Feed Update

Slight Bump in Corn Production, Smaller Wheat Harvest

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Report Highlights:

The market year (MY) 2017/18 wheat production estimate has been revised downward to 3.5 million metric tons (MMT) based on updated official information from the Mexican government. Rice and sorghum production forecasts for MY 2017/18 have remained unchanged. MY2016/17 import and export estimates for corn are revised downward and upward, respectively, while imports and exports are up slightly for rice, reflecting updated official information.

Post:

Mexico City

WHEAT**Production:**

The total wheat production for MY 2017/18 (July to June) has been revised downward from USDA/Official estimates, reflecting the most recent data from the Secretariat of Agriculture, Livestock, Rural Development, Fisheries and Food (SAGARPA). This data includes preliminary final results for the 2016/17 fall/winter crop cycle, as well as updated information (as of August 31, 2017) of the 2017 spring/summer crop cycle. The reduction is driven by slightly lower than previously estimated planted and harvested areas. Private sources stated that despite the fact that weather conditions were favorable during the 2016/17 fall/winter crop cycle, growers in the state of Baja California planted less area than initially anticipated, triggering a reduction of approximately 100,000 metric tons (MT) in comparison to the original production estimate. Unattractive wheat prices were apparently the main reason for this reduction, potentially incentivizing farmers to plant less wheat area and to shift to alternative crops such as cotton. The Post/New total wheat production and harvested area estimates for MY2016/17 have been revised slightly upward from the USDA/Official figure, based on preliminary final official data from SAGARPA.

Stocks:

The MY 2016/17 Post ending stocks estimate was revised upward slightly to 847,000 MT from the USDA/Official estimate, due to lower than previously estimated domestic production. This was reflected in the carryover for MY 2017/18. The MY 2017/18 ending stocks estimate was reduced due to the reduction in estimated domestic production.

Production, Supply and Demand Data Statistics: Table 1: Mexico, Wheat Production, Supply, and Demand for MY 2015/16 to MY 2017/18

| Wheat Market Begin Year | 2015/2016 | | 2016/2017 | | 2017/2018 | |
|----------------------------|---------------|----------|---------------|----------|---------------|----------|
| | Jul 2015 | | Jul 2016 | | Jul 2017 | |
| Mexico | USDA Official | New Post | USDA Official | New Post | USDA Official | New Post |
| Area Harvested | 825 | 825 | 721 | 724 | 680 | 660 |
| Beginning Stocks | 523 | 523 | 511 | 511 | 846 | 847 |
| Production | 3751 | 3751 | 3884 | 3885 | 3650 | 3550 |
| MY Imports | 4805 | 4805 | 5370 | 5370 | 5200 | 5200 |
| TY Imports | 4805 | 4805 | 5370 | 5370 | 5200 | 5200 |
| TY Imp. from U.S. | 2753 | 2753 | 4042 | 4042 | 0 | 3650 |
| Total Supply | 9079 | 9079 | 9765 | 9766 | 9696 | 9597 |
| MY Exports | 1568 | 1568 | 1119 | 1119 | 1400 | 1400 |
| TY Exports | 1568 | 1568 | 1119 | 1119 | 1400 | 1400 |
| Feed and Residual | 400 | 400 | 700 | 700 | 400 | 400 |
| FSI Consumption | 6600 | 6600 | 7100 | 7100 | 7200 | 7200 |
| Total Consumption | 7000 | 7000 | 7800 | 7800 | 7600 | 7600 |
| Ending Stocks | 511 | 511 | 846 | 847 | 696 | 597 |
| Total Distribution | 9079 | 9079 | 9765 | 9766 | 9696 | 9597 |
| Yield | 4.5467 | 4.5467 | 5.387 | 5.366 | 5.3676 | 5.3788 |
| | | | | | | |

(1000 HA) ,(1000 MT) ,(MT/HA)

CORN

Production:

The corn harvested area estimate for MY 2017/18 (October to September) has been revised upward from USDA/Official estimates to 7.25 million hectares, reflecting updated information from SAGARPA as of August 31, 2017. SAGARPA has reported that both the pace of planting and crop development have been normal in the 2017 spring/summer crop cycle. Reportedly, weather conditions were fairly favorable in June and July, with normal soil moisture and rainfall and without serious damaged from tropical storm Franklin in the second week of August. Similarly, the total production estimate and area harvested estimates for MY 2016/17 have been adjusted slightly upward and downward, respectively, based on final SAGARPA official data.

Trade:

Mexico's total corn imports estimate for MY 2016/17 has been revised downward to 14.2 MMT, a 2 percent reduction from the USDA/Official estimate, based on official data form SHCP and SAGARPA for the first eleven months of this marketing year. The export estimate for the same MY 2016/17 was adjusted upward to 1.6 MMT from USDA/Official estimate, also based on this data.

Stocks:

The Post/New corn ending stocks estimate for MY 2016/17 has been revised downward to 5.4 MMT, as result of higher than originally estimated exports. This was reflected in the carry over for MY 2017/18, which was also adjusted downward. This in turn caused a reduction in the ending stocks estimate for MY 2017/18.

Production, Supply and Demand Data Statistics: Table 2: Mexico, Corn Production, Supply, and Demand for MY 2015/16 to MY 2017/18

| Corn Market Begin Year | 2015/2016 | | 2016/2017 | | 2017/2018 | |
|-------------------------------|---------------|----------|---------------|----------|---------------|----------|
| | Oct 2015 | | Oct 2016 | | Oct 2017 | |
| Mexico | USDA Official | New Post | USDA Official | New Post | USDA Official | New Post |
| Area Harvested | 7207 | 7207 | 7500 | 7450 | 7200 | 7250 |
| Beginning Stocks | 4090 | 4090 | 5213 | 5213 | 6463 | 5438 |
| Production | 25971 | 25971 | 27400 | 27565 | 26000 | 26000 |
| MY Imports | 14011 | 14011 | 14500 | 14200 | 15500 | 15500 |
| TY Imports | 14011 | 14011 | 14500 | 14200 | 15500 | 15500 |
| TY Imp. from U.S. | 13603 | 13603 | 0 | 13800 | 0 | 15325 |
| Total Supply | 44072 | 44072 | 47113 | 46978 | 47963 | 46938 |
| MY Exports | 1559 | 1559 | 750 | 1640 | 700 | 700 |
| TY Exports | 1559 | 1559 | 750 | 1640 | 700 | 700 |
| Feed and Residual | 20300 | 20300 | 22000 | 22000 | 23000 | 23000 |
| FSI Consumption | 17000 | 17000 | 17900 | 17900 | 18000 | 18000 |
| Total Consumption | 37300 | 37300 | 39900 | 39900 | 41000 | 41000 |
| Ending Stocks | 5213 | 5213 | 6463 | 5438 | 6263 | 5238 |
| Total Distribution | 44072 | 44072 | 47113 | 46978 | 47963 | 46938 |
| Yield | 3.6036 | 3.6036 | 3.6533 | 3.7 | 3.6111 | 3.5862 |
| (1000 HA) ,(1000 MT) ,(MT/HA) | | | | | | |

SORGHUM

Production:

The Post/New total sorghum production and harvested area estimates for MY2016/17 have been revised downward and upward, respectively, from USDA/Official based on updated Mexican government figures. These statistics include final results of the 2016 spring/summer crop cycle and available information for the 2016/17 fall/winter crop cycle as of August 31, 2017. According to SAGARPA, the 2016/17 fall/winter crop cycle is about to conclude with some final adjustments expected in production estimates and area harvested. Private sources estimate that 2016/17 fall/winter crop cycle production reached approximately 2.6 MMT, which is lower than previous forecasts due to irregular weather conditions that prevailed during sowing and crop development in Tamaulipas, the main producer state, during this cycle.

Consumption:

The sorghum total consumption estimate for MY 2016/17 has been revised downward from USDA/Official figures, based on the most recent information from official sources and reflecting lower than previously estimated domestic production.

Stocks:

The USDA/Official ending stocks estimate for MY2016/17 has been revised downward based on lower production than previously expected. This adjustment is reflected in the downward adjustment for MY 2017/18 carryover.

Production, Supply and Demand Data Statistics: Table 3: Mexico, Sorghum Production, Supply, and Demand for MY 2015/16 to MY 2017/18

| Sorghum Market Begin Year | 2015/2016 | | 2016/2017 | | 2017/2018 | |
|------------------------------|---------------|----------|---------------|----------|---------------|----------|
| | Oct 2015 | | Oct 2016 | | Oct 2017 | |
| | USDA Official | New Post | USDA Official | New Post | USDA Official | New Post |
| Mexico | | | | | | |
| Area Harvested | 1678 | 1678 | 1450 | 1460 | 1700 | 1700 |
| Beginning Stocks | 338 | 338 | 286 | 286 | 186 | 136 |
| Production | 5587 | 5587 | 5050 | 4700 | 6000 | 6000 |
| MY Imports | 661 | 661 | 700 | 700 | 500 | 500 |
| TY Imports | 661 | 661 | 700 | 700 | 500 | 500 |
| TY Imp. from U.S. | 661 | 661 | 0 | 700 | 0 | 500 |
| Total Supply | 6586 | 6586 | 6036 | 5686 | 6686 | 6636 |
| MY Exports | 0 | 0 | 0 | 0 | 0 | 0 |
| TY Exports | 0 | 0 | 0 | 0 | 0 | 0 |
| Feed and Residual | 6200 | 6200 | 5750 | 5450 | 6300 | 6300 |
| FSI Consumption | 100 | 100 | 100 | 100 | 100 | 100 |
| Total Consumption | 6300 | 6300 | 5850 | 5550 | 6400 | 6400 |
| Ending Stocks | 286 | 286 | 186 | 136 | 286 | 236 |
| Total Distribution | 6586 | 6586 | 6036 | 5686 | 6686 | 6636 |
| Yield | 3.3296 | 3.3296 | 3.4828 | 3.2192 | 3.5294 | 3.5294 |
| | | | | | | |

(1000 HA) ,(1000 MT) ,(MT/HA)

RICE

Production:

For MY 2016/17, total rice production and harvested area estimates have been revised slightly downward from the USDA/Official estimate based on updated official data from SAGARPA as of August 31, 2017. Recently, SAGARPA published the preliminary final data for the 2016/17 fall/winter crop cycle, which shows a slightly smaller than previously estimated planted area and consequently lower production level. According to SAGARPA officials, growers have nearly completed their fall/winter harvest, and it is estimated that the current harvest will produce 82,000 MT of rice. This is approximately 3 percent lower the previous crop due to the smaller harvested area.

Trade:

The Post/New import and export estimates for MY 2016/17 were revised upward in order to reflect official data from SAGARPA and SHCP for the first eleven months of the marketing year.

Stocks:

The Post ending stocks estimate for MY2016/17 has been increased to 189,000 MT, because of higher than expected imports. This is reflected in the upward adjustment for MY 2017/18 carryover, as well.

Production, Supply and Demand Data Statistics: Table 4: Mexico, Rice Production, Supply, and Demand for MY 2015/16 to MY 2017/18

| Rice, Milled Market Begin Year Mexico | 2015/2016 | | 2016/2017 | | 2017/2018 | |
|---|---------------|----------|---------------|----------|---------------|----------|
| | Oct 2015 | | Oct 2016 | | Oct 2017 | |
| | USDA Official | New Post | USDA Official | New Post | USDA Official | New Post |
| Area Harvested | 40 | 40 | 40 | 39 | 40 | 40 |
| Beginning Stocks | 165 | 165 | 127 | 127 | 153 | 189 |
| Milled Production | 156 | 156 | 181 | 177 | 185 | 185 |
| Rough Production | 227 | 227 | 263 | 258 | 269 | 269 |
| Milling Rate (.9999) | 6870 | 6870 | 6870 | 6870 | 6870 | 6870 |
| MY Imports | 693 | 693 | 800 | 865 | 800 | 800 |
| TY Imports | 731 | 731 | 800 | 865 | 800 | 800 |
| TY Imp. from U.S. | 647 | 647 | 0 | 725 | 0 | 755 |
| Total Supply | 1014 | 1014 | 1108 | 1169 | 1138 | 1174 |
| MY Exports | 2 | 2 | 55 | 80 | 2 | 2 |
| TY Exports | 2 | 2 | 55 | 80 | 2 | 2 |
| Consumption and Residual | 885 | 885 | 900 | 900 | 910 | 910 |
| Ending Stocks | 127 | 127 | 153 | 189 | 226 | 259 |
| Total Distribution | 1014 | 1014 | 1108 | 1169 | 1138 | 1171 |
| Yield (Rough) | 5.675 | 5.675 | 6.575 | 6.6154 | 6.725 | 6.725 |
| | | | | | | |

(1000 HA) ,(1000 MT) ,(MT/HA)

For More Information:

FAS/Mexico Web Site: We are available at www.mexico-usda.com.mx or visit the FAS headquarters' home page at www.fas.usda.gov for a complete selection of FAS worldwide agricultural reporting.

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